

## YOUTH EMPLOYMENT – THE POLISH PERSPECTIVE

Anna Musiala

**Creating jobs for youth is not enough. Across the planet, youth are not only finding it difficult if not impossible to find jobs, but also they cannot find decent jobs. (...) We are facing not only an economic challenge, but a security threat of monumental proportions.**

*Juan Somavia – ILO Director – General*

### INTRODUCTION

In the first half of 2007 the rate of unemployment in Poland was 15.1%.<sup>1</sup> The group facing the most difficult situation in the labour market is youth. In 2005 36.9% of the unemployed were drawn from the youth population (people aged between 15 – 24 years: comprising 35.7% men and 38.3% women).<sup>2</sup> It is worth pointing out, moreover, that the rate of unemployment amongst young people has probably fallen as a result of a trend towards emigration since Poland's entry into the European Union. According to various data, about one million people have left the country for work. It is reasonable to assume that most of these emigrants are young Poles, but exact information about their numbers is unavailable.<sup>3</sup> Whilst emigration amongst the young goes some way towards reducing the overall rate of unemployment amongst this group, it does so at a terrifying national cost: we are probably losing the most promising and resourceful individuals that can help us to build a secure national future.

Given the situation outlined above, it is important to explore solutions that might address the problem of Polish youth emigration. The purpose of this article is to consider, in general terms, whether Poland as a nation-state in the European Union can do anything to assist unemployed youth. In 2002 the Polish Government launched a programme entitled *The First Job*. Firstly, I would like to highlight the point that the problem of youth unemployment is not only an issue that afflicts countries such as Poland: it is a global problem. I will then present

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<sup>1</sup> <http://www.paiz.gov.pl>, 18.06.2007.

<sup>2</sup> Krajowy Program "Zabezpieczenie Społeczne i Integracja Społeczna 2006 – 2008", National Report on Strategies for Social Protection and Social Inclusion", Ministerstwo Pracy i Polityki Społecznej, Warszawa, 2006 - [www.mpips.gov.pl](http://www.mpips.gov.pl), 18.06.2007.

<sup>3</sup> Bożena Kłos, "Migracje zarobkowe Polaków o krajów Unii Europejskiej", <http://www.parl.sejm.gov.pl>, 18.06.2007.

some details of the *The First Job*, and present an evaluation of the strengths and limitations of the programme.

## THE GLOBAL YOUTH UNEMPLOYMENT

Nearly 85 % of the world's youth aged 15 – 24 years (about 1 billion) live in developing countries<sup>4</sup>. The youth labour force participation rate declined from 59.3 to 54.4 % between 1994 and 2004, mainly as a consequence of young women and men staying in education for longer periods. Global youth unemployment rose from 70.8 million in 1994 to 85.7 million in 2004, accounting for 45 % of total unemployment. Moreover, youth accounted for about 20 % of the world's estimated 535 million "working poor" in the year 2004. Some 106 million youth worked, but lived in households that earned less than the equivalent of US \$ 1 per day. Young people are also over-represented in the informal economy. Approximately two thirds of new jobs created in Latin America and South-East Asia during the period 1990 – 2002 were in the informal sector of the economy. It is worth highlighting the point that a third of working young people in the European Union was subject to temporary contracts in 2004 compared with 11 % of adults.<sup>5</sup>

In light of the best statistics available, it is not an exaggeration to state that the world is facing a growing youth employment crisis. According to the latest ILO (International Labour Organisation) data, of the world's estimated 191 million unemployed people in 2004, about half – or nearly 86 million – are aged between 15 – 24 years. In many economies there is a three times bigger chance that these will be young people looking for work. Today the problem of youth unemployment is not confined to poor countries. The problem afflicts both wealthy, developed and established industrialized nation-states as well as poorer, developing and rapidly industrialising economies. Young people are also over-represented in that highly vulnerable group of the "working poor". So the challenge – even more fundamental – is not only about creating jobs, but securing decent employment for young people who are currently

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<sup>4</sup> A developing country is a country with a low income average, a relatively backwards infrastructure and a poor human development index when compared to the global norm. The term has tended to edge out earlier ones, including the Cold War-defined "Third World" – <http://www.en.wikipedia.org>, 01.05.2007.

<sup>5</sup> ILO, « Global Employment Trends for Youth, Geneva, 2004, ILO, « Key Indicators of The Labour Market, 4th Edition, Geneva 2005, OECD Labour Force Statistics Database online, ILO, « Youth employment. A Global Goal, National Challenge», [http://www.ilo.org/public/english/employment/yett/download/ggnc\\_eng.pdf](http://www.ilo.org/public/english/employment/yett/download/ggnc_eng.pdf), 01.05.2007.

working in the agricultural fields of rural areas and the urban back alleys of the informal economy.<sup>6</sup>

Finally, there is the increasing problem of young people experiencing problems in securing stable employment following the completion of their formal education. Nearly 20% of young Europeans are currently out of work. The figures from Poland, Greece and Italy are particularly worrying (36.4%, 27.8% and 24% respectively), but they are also high in France, Germany, Finland and Belgium. Even well qualified young people are taking longer and longer to find a secure job that gives them financial and social independence.

In developing countries, youth unemployment is compounded by substantial levels of underemployment and poor quality jobs in the informal sector. Both these phenomena are widespread, which suggests that the problem of integrating young people into the labour markets of developing countries is really much more serious than it would have first appeared. In many transition economies<sup>7</sup>, youth unemployment levels show a similar composition. Given the massive reductions in output in many of the countries moving towards market economies, the problem is considerably more dangerous than in the more industrialised nations. For example, despite a partial recovery of output, in 1997 youth unemployment in Poland was 24.7%, compared with an adult rate of 8%. Similarly, in Hungary in 1997, the rate of unemployment for young people was 16 %, compared with 7.5 % for adults.<sup>8</sup>

The causes of youth unemployment can be analysed at different levels, but it is certain that globalisation and technological advances have had a profound impact on labour markets throughout the world; and young people, as new workers, have faced a number of challenges and difficulties associated with these developments. Trends in the youth labour market tend to be indicative of trends in the adult labour market, although the effects of any shifts that may occur are often magnified and seem more serious in the employment situation of the young. The decline in skilled jobs in the manufacturing sector, together with the increased demand for professional specialists and unskilled labour in the growing service industries, has led to a phenomenon of “hollowing out” the youth labour market. New opportunities tend to cluster at

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<sup>6</sup> [http://www.ilo.org/public/english/employment/yett/download/ggnc\\_eng.pdf](http://www.ilo.org/public/english/employment/yett/download/ggnc_eng.pdf), 01.05.2007.

<sup>7</sup> A transition economy is an economy which is changing from a planned economy to a free market. Transition economies undergo economic liberalization, letting market forces set prices and lowering trade barriers, macroeconomic stabilization, where immediate high inflation is brought under control, and restructuring and privatization, in order to create a financial sector and move from public to private ownership of resources, – <http://www.en.wikipedia.org>, 01.05.2007.

<sup>8</sup> Niall O’Higgins, « Youth unemployment and employment policy », ILO, Geneva 2001, p. 9 – 10.

the top end: in the professional and advanced technical sector; and at the same time at the bottom end, in the low-tier service industries. An increasing number of youth are also finding work in the informal economy, where jobs are usually characterized by real insecurity, poor wages and inconvenient working conditions.<sup>9</sup>

However, it must be remembered that access to productive and decent work is the best way young people can realise their aspirations, improve their living conditions and actively participate in society. Decent work for young people means not only significant benefits in terms of increased wealth, but is also commonly associated with a commitment to democracy, security and political stability. 'Decent work' can thus strengthen both the economy and wider civil society. The young person who works within a framework of decent conditions of employment can join a cadre of young consumers, savers and taxpayers who fuel energy, innovation and creativity. Such dynamism within a national economy is more likely to attract domestic and foreign investment. When economically productive and motivated young people are also committed to civil society, they can become the architects of an equitable society and construct bridges between the generations.<sup>10</sup>

In response to the significant problem of youth unemployment, the International Labour Organisation - at its 86<sup>th</sup> Session in 1998 – adopted a Resolution concerning Youth employment. The ILO called upon its member states (including POLAND) to:<sup>11</sup>

- (a) consider new and innovative policies and programmes to create employment opportunities for young people;
- (b) increase investment in basic education targeted at improving the quality of education and access to further and higher education for disadvantaged categories of young people;
- (c) take measures with the aim that, when young people leave school, they possess a general education and a balanced range of qualifications and skills which would enable them to realize their full potential and contribute to the well-being of society and the needs of the economy and enterprises;
- (d) take measures with the goal that vocational training and counselling are adapted to the requirements of the labour market in order to facilitate the transition of young people from

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<sup>9</sup> „Youth employment”, World Youth Report, 2003 - <http://www.un.org/esa/socdev/unyin/wyr03.htm>, 01.05.2007.

<sup>10</sup> „Youth employment”, World Youth Report, 2003 - <http://www.un.org/esa/socdev/unyin/wyr03.htm>, 01.05.2007.

<sup>11</sup> Resolution concerning Youth employment, <http://www2.ilo.org/public/english/standards/relm/ilc/ilc86/com-res.htm>, 01.05.2007.

school into work and the acquisition of the generic and transferable skills required as a basis for employment and lifelong learning;

(e) promote flexible working arrangements so that young people can avail themselves of on-and-off-the-job education and training opportunities in the context of agreed workplace arrangements;

(f) identify the obstacles to hiring young people and take measures, as far as possible and desirable, to remove them while maintaining the individual's employment protection;

(g) develop a legislative and administrative framework which provides young people with employment protection;

(h) encourage enterprises to play an active role in the provision of continuous training to young employees;

(i) encourage young people and enterprises to develop more flexible attitudes towards the acquisition of new skills to meet changing needs;

(j) promote enterprise, entrepreneurship and self-employment among young people and the creation and viability of small and medium-sized enterprises as one of the major sources of employment opportunities for young people.

We should conclude that the problem of youth unemployment concerns many countries, not only the European ones. It is a result of the global economy, and the phenomenon that there is less paid work that can be exercised by people, especially by new entrants to the labour market. It can also be observed that the International Labour Organization is working on the eventual solution of the problem. Nevertheless, it shouldn't be forgotten that the role of this organization is advisory and consultative only. It is thus the role of every country, and the European Union as a whole, to explore potential solutions to the problem. The ILO, can of course, offer professional advice; ultimately, though, the main work must be done outside of the Organisation.

## POLISH PROGRAMME – THE FIRST JOB

The unemployment amongst young people in Poland is three times higher than the average rate, which is itself high. In order to address the problem and seek to prevent youth unemployment, in June 2002 the Polish Government launched a new programme called *The*

*First Job* (“*Pierwsza praca*”). The central aim was to enable young people entering the labour market to acquire their first work experience.<sup>12</sup>

We can regard *The First Job* programme as the response of the Polish Government to the high rate of youth unemployment. It is also, however, a response that has been developed within the framework of the afore-mentioned ILO Resolution. *The First Job*, officially inaugurated on the 3<sup>rd</sup> of June 2002 in Cracow, is Poland’s first (and only) nationwide programme for the vocational activation of young people. Its aim, quite simply, is to enable young workers to acquire their first experience of work. As it is it is the only programme in Poland, it is therefore impossible to undertake a comparative evaluation within the national context. Nevertheless, it is possible to consider critically the strengths and weaknesses of the scheme.

The *First Job* programme was the idea of the Polish Ministry of Labour and its Head – the Minister Jerzy Hausner. It is difficult to say whether the programme was inspired by programmes from other countries. Nevertheless, it should be recognised that before Poland introduced the programme, other countries around the world had already been developing such programmes (Jamaica, the United Kingdom and United States of America, for example).<sup>13</sup> It is certainly reasonable to suppose that experiences elsewhere and policy ideas generated in other national contexts may have influenced Polish thinking.

According to data from the Polish Official Statistics (Główny Urząd Statystyczny), the unemployment rate had been rising gradually over the past few years, reaching a record height of 20.3% in the first quarter of 2002. The rate then fell to 17.2% in May, before rising slightly again to 17.3% in June. In the first half of 2002, some 3.1 million people were unemployed. It was against the pressure of mounting concerns about youth unemployment that the Polish youth activation programme was developed.

*The First Job* programme comprises the following five strands:

- small and medium-sized enterprises (SMEs);
- self-employment;
- education;
- voluntary work; and
- information, vocational counselling, and labour market intermediation.

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<sup>12</sup> Programme « Pierwsza Praca » - [www.mpips.gov.pl](http://www.mpips.gov.pl), 20.03.2007.

<sup>13</sup> Niall O’Higgins, « Youth unemployment and employment policy », ILO, Geneva 2001, p. 109.

More detail on each of the five strands is set out below. This account is based on published government documents.<sup>14</sup>

### **Small and Medium Sized Enterprises (SMEs)**

The Act regarding employment and counteraction of unemployment<sup>15</sup>, provided for a number of useful instruments in this area. These include:

- Remuneration refunds for school leavers. For a 12-month period, employers are eligible for the reimbursement of the wages paid out to a newly employed school leaver and of the obligatory social insurance contributions made on their behalf;
- Internships. This scheme allows the county employment office to draw up a contract with an employer, on the basis of which a school leaver is taken on for a 12-month internship, receiving from the employment office a grant whose value is equivalent to that of unemployment benefit;
- Social benefit/community service work. A local administration official (starosta) may assign school leavers to stints of up to six months' duration at social benefit institutions and as well at work in the domains of culture, education, tourism, healthcare and social care. It is important to note that young people can perform work that does not necessarily correspond to their previous education and training. The employers are eligible for partial reimbursements of wages and of social insurance contributions paid to and for the school leavers;
- Loans for the creation of new jobs for unemployed persons referred by the county employment office. Under this scheme, the maximum loan to the employer per workplace amounts to 20 times the average wage, with an interest rate of 50% of the variable annual interest rate for lien loans or, in areas threatened with particularly high structural unemployment, 30% of that rate; and
- Special programmes. These are measures pursued by the county employment offices in collaboration with other institutions. These are geared towards the employment of people from high risk groups and those who, given the profile of their qualifications

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<sup>14</sup> Programme « Pierwsza Praca » - [www.mpips.gov.pl](http://www.mpips.gov.pl), 20-03-2007. The translation from the page: <http://www.eurofound.europa.eu/eiro/2002/12/feature/pl0212107f.html>, 01.05.2007.

<sup>15</sup> The Act regarding employment and counteraction of unemployment, December 14, 1994, Journal of Laws of January the 1, 1995, No. 1, item 1; now has been changed by The Act regarding the promotion of the employment and the institutions of labour market, April 20, 2004, Journal of Laws of May the 1, 2004, No. 99, item 1001.

and the situation prevailing in the local job market, are threatened by long-term unemployment.

### **Self-employment**

The government concluded that, in order to stimulate interest in self-employment among recent school leavers, measures should be pursued along three lines:

- reducing 'red tape' in the area of establishing new businesses and the associated costs, through legal solutions;
- introducing a large-scale programme offering inexpensive loans, credit assurances, interest subsidies and professional advisory services. Individual county employment offices extend loans for the starting up of independent business activity at interest rates identical to those applied for loans to SMEs (see above) with the possibility of partial debt write-off and the reimbursement of up to 80% of training and consultancy expenses over the first year of activity; and
- temporary suspension of the payment of the retirement and pension component of obligatory social insurance contributions for graduates opening their own businesses. Under the terms of the Act regarding facilitation of employment, school-leavers may, within 12 months of the commencement of business activity, obtain from the Labour Fund (Fundusz Pracy) subsidies towards the accident and pension components of their social insurance contributions. From the outset, however, there was a presumption that the possibilities for subsidising business activity in this way are limited.

### **Education**

It was believed that improvements in educational provision would help support the competitive position of young people entering the labour market, providing them with better skills. Measures towards this end were to be pursued in three distinct areas:

- overhaul of the educational system through modifying teaching methods so as to foster innovation and independence, and adjusting the curriculum so as to combine general



instruction with area-specific programme – thus providing students with theoretical knowledge about entrepreneurship along with practical skills developed through vocational training undertaken in collaboration with businesses;

- continuing education, understood as enabling school leavers to continue learning via training programmes organised by labour offices and financial assistance extended to residents of areas threatened by high structural unemployment to enable them to pursue training; and
- activation activities within schools themselves, pursued through the establishment of careers offices which provide students with advice in planning their careers and promote school leavers in the labour market. Activities of this sort benefit from state support in the form of grants awarded by the Ministry of Labour and Social Policy.

### **Voluntary work**

The voluntary work component of the programme is intended to provide those school leavers who have not been able to find jobs with unpaid practical experience in some line of work. An obstacle in this regard was posed by the absence of legal provisions regulating voluntary work, and the government thus proceeded to draft a statute concerning 'public benefit' and voluntary work<sup>16</sup>, specifying in the process the institutions which would benefit from unpaid work. This included non-governmental organisations (NGOs) and public administration bodies. NGOs may - although they are under no duty to do so - cover the expenses associated with a volunteer's work (e.g., the necessary medical examinations, accident insurance, or travel costs). Public administration bodies, however, are obliged to cover expenses for these items. As far as public administration is concerned, voluntary work may apply in particular to social aid, the labour market, healthcare, the judiciary, culture, sports and tourism, and education.

### **Information, vocational guidance and employment services**

The goal of the information, vocational counselling and labour market intermediation component involves the establishment of an effective information network based on the Information and Career Planning Centres (Centra Informacji i Planowania Kariery Zawodowej) that are affiliated to the District Employment Offices (Wojewódzkie Urzędy

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<sup>16</sup> The Law on Public Benefit Activity and Volunteerism, April 24, 2003, Journal of Laws of July the 29 May, 2003, No. 96, item 873.

Pracy). These centres should provide school leavers with knowledge about the labour market and with practical training in job-seeking skills. Areas at risk of structural unemployment will also have Commune Information Centres (Gminne Centra Informacji) which monitor local labour markets.

### **The programme's implementation**

The intentions of the government, as expressed in its formulation of *The First Job* programme, were ambitious; particularly considering the scale of the problem that needed to be addressed. Needless to say, the biggest question mark was posed by the programme's funding. Overall, approximately PLN 1 billion was earmarked for the launch of "The First Job" programme. This was to be obtained from the following sources: the Labour Fund; World Bank and EU (PHARE programme) aid; the reserves established by some of the state's revenues from the privatisation programme; loans from the Council of Europe Development Bank; and local government bodies at the communal, county, and district levels.<sup>17</sup> It needs to be acknowledged that the main funding stream was provided by the Labour Fund. It should also be underlined that it was mainly Polish funds that were destined for the financing of the programme. Consequently, the *The First Job* programme can very much be represented as a national one in terms of its finances. However, some critics might argue that Poland has not made full use of the European funds available to fulfil the aim of combating youth unemployment.

<b>Source of funding</b>	<b>Envisaged total amount (PLN million)</b>	<b>Disbursed after five months</b>	<b>Amount to be disbursed by end of 2002</b>
Labour Fund	560	558	2
Grant from the national budget for infrastructure investments pursued as public works in communities threatened by particularly high structural unemployment	30	30	-

<sup>17</sup> One EURO is equals approximately four zlotys, 01.05.2007.

<sup>18</sup> <http://www.eurofound.europa.eu/eiro/2002/12/feature/pl0212107f.html>, 01.05.2007.

Foreign aid PHARE and PAOW projects	6	6	-
Funds provided by the Agricultural Ownership Agency of the State Treasury	199	199	-
Funds from the property restitution reserve and from privatisation reserves made available by the Ministry of the State Treasury	209	-	209
<b>Total</b>	<b>1,004</b>	<b>793</b>	<b>211</b>

*Source: Ministry of Labour and Social Policy, 2002.*

During the first five months of “The First Job” programme's operation, only 227,000 graduates - half the expected figure - presented themselves at the employment offices to register as unemployed. Of that number, 63,000 people (roughly a quarter) took advantage of one of the programme's proposals (see table 2 below). A notable feature was the great popularity of the subsidised internships programme as well as the manifestly low interest among school leavers in commencing business activity on their own account. This perhaps suggests that the self-employment strand should be reconsidered. It is, perhaps, unsurprising that many young people are reluctant to start their own businesses. A risk-averse attitude on their part is understandable when they have little or no relevant experience.

**Table 2. Take-up of First Job schemes by young people, first five months of operation<sup>19</sup>**

<b>Instrument</b>	<b>No. of participants</b>
Internships for school leavers	36,838
Reimbursements for employers of school leavers	13,409
Loans for commencement of business activity	173
Training	7,253
Training loans	17

<sup>19</sup> <http://www.eurofound.europa.eu/eiro/2002/12/feature/pl0212107f.html>, 01.05.2007.

Loans for creation of additional jobs	84
Intervention projects	1,756
Public works	566
Social benefit work	775
Social insurance contribution refunds	9
Special programmes	436
Participation in PHARE and World Bank programmes	1,311
Measures under legislative Act regarding facilitation of graduate employment	78
<b>Total</b>	<b>62,705</b>

*Source: Ministry of Labour and Social Policy, 2002.*

## CONCLUSION

At the outset of the scheme “*The First Job*” programme was functioning properly in general terms. Although it attracted some critical comment during the first stage of its operation, the nature of the criticism often took exaggerated forms and was sometimes unfounded. The fears about its financing, for example, have turned out to be largely unfounded.

However, some of the solutions adopted within “*The First Job*” programme were at variance with social expectations. The poor response amongst the young, whom the programme should have encouraged to establish their own businesses, must be treated as a failure. Most young people appear to have regarded the possibility of self-employment as an unrealistic prospect. As mentioned previously, such attitudes are not surprising because the vast majority of young people that have just finished their school education have absolutely no work experience – let alone relevant work experience. It is unsurprising that they should not trust themselves to engage in independent, entrepreneurial activity, even if they are given funds to start their own businesses. In the view of this author, whilst the architects of the programme should certainly have included “self-employment” in *The First Job* programme, they ought to have had a

greater awareness that the group of people who would declare to select this option would not be large. Therefore the amount of money destined for this aim should not have been so large.

In addition to the above comments, some critics might argue that the greatest perceived disadvantage of *The First Job* is the fact that the employment contracts provided for the programme are short and fixed-term only. Thus, a cynical or unscrupulous employer could effectively be incentivised by government funds to dismiss a young person when the programme ends as they can so easily be replaced by another subsidised school-leaver.

There is a view that the kind of solution that gives the employer a possibility to employ young people for free (because it is the state that covers the expenses of employment) should be regarded as an abuse not only of the young person but also of the public funds administered by the government. Nevertheless, even though it might be regarded as abusive, it could still be argued that the young have been given a possibility to gain essential work experience. Given these finely balanced nature of the arguments on both sides, a key question needs to be posed: to what extent, if any, should labour law regulate employment practice in the field of such vocational activation programmes? It is the view of this author that the employers, while being given public funds for employing youth, should bear an obligation to employ them for some time beyond when the *First Job* contract actually ends. In other words, the programme should not be organised in such a way that the employer has no obligations in this matter. Failure to impose such obligations leads to the paradoxical situation that employers will earn even more money for substituting one young worker for another when state subsidies expire at the end of a *First Job* contract. In contemporary Poland there are, no doubt, many examples of good practice: where, for example, an employer makes a long-term commitment to one young worker rather than hiring and firing five or six young workers on short-term contracts. It would be helpful to know how many employers engage in such good practice. There is clearly a need for more research in this area of policy. Nevertheless, despite the paucity of empirical evidence, the case for good employment practice remains strong.

The possibility of employing the young workers on a part-time basis under the terms of *The First Job* programme could certainly be regarded as a manifestation of the wider trend of casualisation in the Polish labour market. Part-time or temporary jobs are very often the only alternatives available to young people as there are insufficient numbers of regular, full-time jobs. The increased use of short-term contracts in the economy as a whole is another indicator of deteriorating conditions in the Polish youth labour market in Poland. Young workers

certainly appear to be more likely to accept such job offers in comparison with their older counterparts. Although short-term contracts can be linked to training and probationary status, in reality many such contracts represent a marginalised position in the labour market: short-term status simply being the consequence of failing to secure a full-time work.

The initiatives introduced by *The First Job* programme in the spheres of education, voluntary work and “*information - vocational guidance - employment services*”, have not turned out to have had such a great impact. At the outset it was difficult to envisage that such measures would have a significant effect on the Polish youth labour market. The three above-mentioned options were, perhaps, always regarded as likely to occupy only a supplementary role in solving the problem of the youth unemployment.

In assessing “*The First Job*” programme, we must answer a more general question: should labour law be more protective of young people in the labour market? This question needs to be answered in terms whether employment regulations, pay and conditions of service should be more strictly regulated. Conversely, should labour law be liberalised in order to enable young people to find jobs more easily, thus allowing them to gain valuable work experience more quickly. In other words, we face a choice between *maximising* protective measures or freeing up the labour market in such a way as to *maximise* job opportunities for young workers. On balance, this author considers the second option to be preferable. Notwithstanding the concerns already expressed about abusive practices by some employers, over-regulation of the labour market may result in fewer employment opportunities for young workers. The *First Job* programme’s emphasis on more flexible labour markets therefore represents a broadly positive direction.

There should not be any doubt that the liberalisation of employment regulations represented by *The First Job* programme – including easing restrictions on employing and dismissing young workers – should still be regarded as a means of encouraging employers to hire youth. The only question is, to what extent should we liberalise the labour law and submit it to the logic of market conditions? In establishing programmes aimed at helping youth to find work, liberalizing the labour law – and being criticised for taking such a liberal approach – is preferable to high levels of unemployment amongst this group. We should never forget that high levels of unemployment are always a source of acute concern because of the profoundly deleterious and corrosive effects it can have on young people’s lives. It is well-known that

unemployment leads to a reduction in self-esteem and diminished levels of well-being.<sup>20</sup> Thus, any activities that help young people to find jobs and gain valuable work experience outweigh the well-documented disadvantages of labour market liberalisation. We must also take into account the fact that *The First Job* programme is the first fully institutionalised and nationwide attempt at solving the problem of youth unemployment in Poland. What's more, programmes like *The First Job* are increasingly common, not only in Europe as whole, but also in the wider world.<sup>21</sup>

It should be acknowledged that, for the most part, the young unemployed are virtually alone their fight for a secure foothold in the labour market. There is no organisation that can represent their interests in consultations at the national level. Unemployed youth cannot really count on the support of trade unions as they tend to be confined to the role of protecting narrow workplace or sectoral interests. Generally, the immediate interests of trade unions do not correspond with those of unemployed and marginalised youth.

In the last analysis, the best way of establishing policies for youth employment is when governments focus on the supply side of the labour market rather than on the labour demand. In other words, they typically try to reduce unemployment by addressing the lack of skills or poor attitudes of young people rather than concentrating on efforts to promote economic growth and job creation. Providing young people with opportunities to learn through work may prove more effective than attempting to upgrade their skills before they enter the labour force and commence work. However we must not forget that the key to reducing youth unemployment lies most of all in simultaneously addressing wider economic policy issues and remedying deficiencies in the labour market as a whole rather than addressing isolated difficulties within specific subsections of that market.<sup>22</sup> A balanced and holistic approach is required in a difficult, dynamic and ever-changing world.

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<sup>21</sup> Niall O'Higgins, « Youth unemployment and employment policy », ILO, Geneva 2001, p. 109 – 147.

<sup>22</sup> „Youth employment”, World Youth Report, 2003 - <http://www.un.org/esa/socdev/unyin/wyr03.htm>, 01.05.2007.

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